Report on Rigorous Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Mgr. Ivo Jánský
Advisor:	PhDr. Milan Rippel
Title of the thesis:	Value-at-risk forecasting with the ARMA-GARCH family of models during the recent financial crisis

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

The thesis deals with technically demanding topic regarding different Value-at-Risk (VaR) specifications and their evaluation based on selected stock-indices data before and in the crisis period. The theoretical background of the thesis is strong, standard theory is appropriately described and explained. Thesis is competently written, has logical structure and neat form of the typeset. Thesis demonstrates author's good understanding of the VaR concept and technical skills to empirically use advanced empirical methods.

All comments and possible limitations, which were mentioned for previous version of the thesis were well incorporated. The most demanding comment given by referee regarded re-estimating models dynamically. As the thesis employs advanced GARCH specifications and different distributions assumptions to make more precise VaR estimates, it seemed incomplete not to re-estimate models dynamically with the only justification of high computational demands. This version of the thesis incorporates dynamic re-estimation of the employed model and brings thereby additional insight on VaR modeling.

Furthermore, the revised version of the thesis was already published as IES WP.

Based on abovementioned comments and overall quality of the thesis, I recommend the thesis for the defense with evaluation **Excellent.**

SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY		POINTS
Literature	*(max. 20 points)*	19
Methods	*(max. 30 points)*	29
Contribution	*(max. 30 points)*	28
Manuscript Form	*(max. 20 points)*	20
TOTAL POINTS	*(max. 100 points)*	**96**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: PhDr. Jakub Seidler

DATE OF EVALUATION: October 7th, 2011

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong	Average	Weak
20	10	0

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong	Average	Weak
30	15	0

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong	Average	Weak
30	15	0

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong	Average	Weak
20	10	0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě